



## State of Rhode Island and Providence Plantations

State House  
Providence, Rhode Island 02903-1196  
401-222-2080

Gina M. Raimondo  
Governor

May 14, 2019

TO THE HONORABLE, SPEAKER OF THE HOUSE OF REPRESENTATIVES:

I am transmitting to the Secretary of State, with my signature, 2019-H 5437, Substitute-A/3 "An Act Relating to Labor and Labor Relations – Arbitration – Continuance of Contractual Provisions."

In 2017, I vetoed a different version of this bill that I believe went too far in automatically extending all provisions in collective bargaining agreements for municipal employees and teachers until a successor agreement has been reached. As I stated in that veto message, expiration dates of collective bargaining agreements motivate the parties to come together and resolve their issues prior to the end of the contract. When I vetoed that bill, I encouraged all interested parties to search for a compromise. The bill that I sign today represents a middle ground.

The process for negotiating collective bargaining agreements between municipal leaders and employees is set forth in detail in state statute. That process provides for the opportunity for both parties to sit across the table from one another to negotiate in good faith. If additional help is needed in reaching compromise, the statute requires mediation and then non-binding arbitration. In nearly every case – in the hundreds of agreements reached in the past two decades, with only two exceptions – contracts are resolved under this process. This bill is fair to both sides because it keeps the status quo during this required process.

In the rare instance where an agreement is not reached by the time arbitration concludes, contractual provisions related to wages and benefits – and only wages and benefits – would continue under this bill until a new agreement is reached. Every other provision would expire. Importantly, as long as the expired contract remains employees receive no raises.

Protecting an individual's wages and benefits from being unilaterally cut after a contract expires is fair to workers. But it also means that workers would not receive future wage increases without remaining at the bargaining table. It also does not bind cities and towns to any other provisions of the expired contract. It is clear that this bill is meaningfully different than the one I vetoed which would have taken all of these tools away from municipal leaders at the negotiating table.

In the rare event that a new agreement has not been reached by the time arbitration concludes, municipal leaders will have the ability to make changes, if needed, to bring their expenses in line with their budgets. For example, this bill specifically carves out the unrestricted right to do layoffs. Mayors could also make changes to how and when work is performed, create or eliminate programs, and update practices to comply with new laws and regulations. All of these changes would provide incentives for employees to stay at the negotiating table. Additionally, if it becomes clear that mayors need additional tools, I'm prepared to work with them.

Two years ago, our municipal leaders identified significant consequences that would occur if all expired contract provisions continued indefinitely: extension of programs regardless of need or effectiveness, unnecessary positions required to be filled, continuation of provisions contrary to new federal and state laws, and forced compliance with outdated practices. This compromise bill resolves these concerns. Cities and towns will not be bound to contractual provisions like these.

Honoring wages and benefits in an expired contract is standard practice in the private sector and in other states. Moreover, this bill does not make us an outlier, as our neighboring states have statutory labor protections that go even further than this bill, including binding arbitration for teachers in Massachusetts and Connecticut.

Compromise is not always easy, but it is part of the legislative process. I believe this legislation represents a fair compromise, and others share this belief. In fact, in testimony before the House Committee on Labor on February 27, 2019, the Rhode Island School Committee Association stated that they would "be willing to include wages and benefits as something that could continue." The Association also noted that such legislation would be an "improvement because it gets the two parties back to the negotiating table in a good faith effort."

It is with this understanding that I sign this bill.

Sincerely,



Gina M. Raimondo  
Governor